Biotech Daily

Thursday July 26, 2012

Daily news on ASX-listed biotechnology companies

*** ASX UP, BIOTECH DOWN:**
- GENETIC TECHNOLOGIES UP 22%, CELLMID DOWN 14%

*** CALIFORNIA APPROVES GENETIC TECHNOLOGIES' BREVAGEN TEST**

*** GSK 2011-'12 BIOTA RELENZA ROYALTY DOWN 36% TO $4.2m**

*** CELLMID ALLOWED 4th US MIDKINE PATENT**

MARKET REPORT

The Australian stock market climbed 0.58 percent on Thursday July 26, 2012 with the S&P ASX 200 up 23.8 points to 4,147.7 points.

Eight of the Biotech Daily Top 40 stocks were up, 18 fell, nine traded unchanged and five were untraded.

Genetic Technologies was the best, climbing 3.5 cents or 30.4 percent to 15 cents before closing up 2.5 cents or 21.7 percent at 14 cents with 2.4 million shares traded.

Universal Biosensors climbed 6.5 percent; Living Cell and Prima were up four percent or more; Anteo, Genera and Tissue Therapies rose more than two percent; Heartware was up 1.2 percent; with CSL up 0.75 percent.

Allied Health and Cellmid led the falls, both down 0.1 cents or 6.25 percent to 1.5 cents with 600,000 and 5.8 million shares traded, respectively, followed by Prana down 6.1 percent to 15.5 cents with 110,000 shares traded.

Antisense, Avita and Clinuvel lost more than five percent; Alchemia fell 4.1 percent; Bionomics was down 3.85 percent; Bioniche, Circadian and QRX shed more than two percent; Acrux, Biota, Nanosonics and Sirtex were down one percent or more; with Cochlear, Mesoblast, Resmed, Reva and Starpharma down by less than one percent.

GENETIC TECHNOLOGIES

Genetic Technologies says its Brevagen genetic test for assessing non-familial breast cancer risk has been approved for sale in the State of California.

Genetic Technologies said that the Laboratory Field Services Unit of the California Department of Public Health granted a licence to the company's Australian-based laboratory.

Genetic Technologies chief executive officer Dr Paul MacLeman told Biotech Daily that the licence effectively approves the company's laboratory quality, systems and processes.

The California licence follows last year's US Centers for Medicare and Medicaid certification under the US Clinical Laboratories Improvements Amendments (CLIA), allowing Brevagen to be sold in 42 US states (BD: Apr 28, 2011).

The company said that based solely on incidence rates, California had about 11 percent of the US total breast cancer incidence, with more than 25,000 cases of breast cancer diagnosed each year.

US Census data (from www.census.gov) shows that with 36,962,000 people, California is the largest state by population with a total of 12.0 percent of the US population, followed by Texas, New York and Florida.

California is reported by several sources to be the single largest state by GDP in the US and the ninth largest economy in the world.

Dr MacLeman said he expected California "to be a large and significant market for Brevagen".

"We will be applying sales and marketing resources to drive test adoption and sales in the State in the coming weeks," Dr MacLeman said.

Genetic Technologies said that applications for out-of-state licensure had been made to allow Brevagen to be sold in Maryland, Nevada, Pennsylvania, Rhode Island and Tennessee.

The company said it had submitted an application in Florida and expected to receive approval shortly.

Genetic Technologies said it had begun serial submission of an application the New York State Department of Health, Clinical Laboratory Evaluation Program to offer out-of-state clinical laboratory services to New York State residents.

Genetic Technologies climbed 3.5 cents or 30.4 percent to 15 cents before closing up 2.5 cents or 21.7 percent at 14 cents with 2.4 million shares traded.

BIOTA

Biota said it expects to receive a $2.0 million Glaxosmithkline royalty payment for sales of Relenza in the three months to June 30, 2012, taking the year total to $4.2 million.

Last year, Biota received a total of $6.6 million in Relenza royalties from Glaxosmithkline.

Biota said the payments represented Relenza sales amounting to $20 million for the three months, compared to $18 million in the previous corresponding period ;and about $47.3 million for the year to June 30, 2012, compared to $79.6 million for the previous year.

Previous Biota announcements said Glaxosmithkline Relenza sales were $3.3 million in the three months to September 30, 2011, $7 million in the three months to December 30, 2011 and $17 million in the three months to March 31, 2012 (BD: Oct 27, 2011; Feb 8, Apr 26, 2012).

Biota fell one cent or 1.45 percent to 68 cents.

CELLMID

Cellmid says the US Patent and Trademark Office has allowed its application entitled entitled ‘Nitric oxide synthase activator’.

Cellmid said the patent was “a key midkine protein patent” fundamental to its program for the treatment of various forms of ischemia including cardiac arrest.

The company said the patent covered a novel mechanism of action for midkine that was beneficial to tissue recovery after ischemia, and strengthened “the company’s dominant intellectual property position” on midkine.

Cellmid said the patent covered the stimulation of nitric oxide synthesis by midkine injection.

The company said that nitric oxide was a key signaling molecule that mediated blood flow, vasodilation and angiogenesis or growth of new blood vessels and in the context of a cardiac arrest, all of these processes were desirable to aid recovery in the affected tissue.

Cellmid said that midkine could be administered systemically to patients to release nitric oxide to assist in the recovery of the affected cardiac muscle.

Cellmid said the patent complemented other patent families protecting the use of midkine for ischemic diseases, including a US patent granted last year entitled ‘Pharmaceutical composition for preventing or treating ischemic disease’ (BD: Nov14, 2011).

The company said that, together, the patents provided multiple therapeutic mechanisms by which midkine could assist in the treatment of ischemia.

Cellmid said the patent was the fourth US patent granted in the last nine months underpinning its “robust intellectual property strategy in all areas of (midkine) biology”.

The company said it held the most significant intellectual property portfolio related to midkine representing multiple product lines and commercialization opportunities.

Cellmid said its patent portfolio included 75 patents in 20 patent families, covering the use of midkine and anti- midkine agents for therapeutic purposes in a number of diseases and the use of midkine as a diagnostic marker in cancer and other disorders.

Cellmid fell 0.1 cents or 6.25 percent to 1.5 cents with 5.8 million shares traded.